

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7088

BILL NUMBER: HB 1279

NOTE PREPARED: Jan 5, 2007

BILL AMENDED:

SUBJECT: Confined Feeding Operations.

FIRST AUTHOR: Rep. Lutz

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill requires a person that wishes to construct a confined feeding operation or a concentrated animal feeding operation in a county that zones to obtain all approvals to construct the operation required under applicable zoning ordinances or other zoning laws applicable in the county in which the operation would be located.

Effective Date: July 1, 2007.

Explanation of State Expenditures: The bill could reduce administrative expenses for the Department of Environmental Management (IDEM) to the extent that IDEM would not have to check for compliance with local regulations.

Background: Approximately 2,210 regulated farms have an IDEM confined feeding approval permit to conduct business. IDEM regulates operations in part on the distance or "setback" a proposed manure application would be from a water source. The water setback under current rule ranges from 50 to 500 feet, depending upon the water source.

IDEM receives approximately 120 applications each year. Most permit fees are \$250. The fee is deposited in the Environmental Management Permit Operation Fund.

Explanation of State Revenues:

Explanation of Local Expenditures: The bill could result in an increase in administrative expenditures for local units involved in approving operations. The specific impact is not expected to be significant.

Background: County ordinances concern the compatibility of an operation with other property. Reviewed ordinances of three counties indicate that operations maintaining manure waste must operate at a minimum distance of approximately 1,300 feet from adjacent residential property lines. If a county has an ordinance regulating land use, generally an applicant for a startup feeding operation will seek approval through the county planning or zoning board before applying to IDEM for a permit to operate as a CFO.

Explanation of Local Revenues: The bill could result in an increase in fees. At least one county contacted collects a filing fee (plus public notification costs) when an applicant appeals to the zoning board for a special exemption to operate.

State Agencies Affected: IDEM.

Local Agencies Affected: Counties; Planning and Zoning Authorities.

Information Sources: Amy Butcher, Executive Director, Shelby County Plan Commission, 317-392-6338; William MacDaniel, Fayette County Area Plan Commission, 765-825-9808; David Neuman, Decatur County Area Plan Commission, 317-232-2554; Bowden Quinn and Sandra Flum, IDEM, 233-3835; www.indianaeconomicdigest.net.

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